

Pensions Fact Sheet

REALITY:

- ❖ Current unfunded liability for the 5 systems: **\$83 billion**
- ❖ Expected payments 2012 – 2045 under existing law: **\$309.9 billion**
- ❖ Unfunded liability remaining after 2045 under existing law: **\$32.7 billion**
- ❖ Estimated annual payments from the 5 state systems for FY 13: **\$8.7 billion**
- ❖ FY 13 general revenue fund contribution; triple the 2008 payment: **\$5.2 billion**
- ❖ FY 13 payment constitutes 15 percent of general revenue fund spend, compared to 6 percent a few years ago
- ❖ Only 22 percent of the \$5.2 billion pension cost this year is actually for the retirement costs of state employees
- ❖ 78 percent of this pension cost is for non-state employees—from suburban and downstate teachers, to our university and community college employees

CAUSES:

- ❖ The State did not always adequately invest in the pension system
- ❖ The State increased retiree benefits without sufficient revenue to pay for the increases
- ❖ The State awarded taxpayer-funded health insurance benefits to retirees that are significantly more generous than those offered by comparable states

ACTION:

- ❖ Rating agencies have indicated they will lower state's credit rating if the General Assembly fails to act this Spring, which will increase the cost of the state's capital plan, costing jobs and slowing economic recovery
- ❖ Act now to secure retirements of public workers and prevent escalating pension costs from squeezing education, health care, and public safety
- ❖ Working group continues to work with all interested stakeholders to solidify a framework for solving our pension challenges
- ❖ Ensure public employee pensions will be limited to public sector employment